

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 COME-00 SIG-03 AID-05
CIAE-00 FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05
SS-15 STR-07 CEA-01 AGRE-00 /092 R

DRAFTED BY EB/IFD/OIA:D V GRANT
APPROVED BY ARA:R ARELLANO
COMMERCE:R ADES
COMMERCE:J SEVER

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R 312357Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY NASSAU
AMEMBASSY BRIDGETOWN
AMEMBASSY SANTO DOMINGO
AMEMBASSY GEORGETOWN
AMEMBASSY PORT AU PRINCE
AMCONSUL CURACAO
AMEMBASSY CARACAS
AMCONSUL MARTINIQUE
USINT HAVANA
AMEMBASSY PORT OF SPAIN
INFO AMEMBASSY KINGSTON

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: STATE/COMMERCE INVESTMENT MISSION TO JAMAICA,
JULY 25-28

1. ARA DEPUTY ASSISTANT SECRETARY ARELLANO, ACCOMPANIED BY
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THREE STAFF-LEVEL OFFICERS FROM STATE AND COMMERCE, VISITED
JAMAICA JULY 25-28 FOR TALKS WITH GOJ OFFICIALS AND PRIVATE
SECTOR REPRESENTATIVES ABOUT JAMAICAN INVESTMENT CLIMATE.
TEAM'S VISIT WAS RESULT OF PRESIDENT CARTER'S SUGGESTION TO
PRIME MINISTER MANLEY LAST FALL THAT SUCH A VISIT MIGHT
USEFULLY COMPLEMENT JAMAICAN GOVERNMENT'S EFFORTS TO
ENCOURAGE NEW FOREIGN INVESTMENT FLOWS.

2. DURING THEIR VISIT, TEAM MET WITH KEY GOJ OFFICIALS INCLUDING COMMERCE/INDUSTRY MINISTER WILLIAMS, FINANCE MINISTER BELL, AND BANK OF JAMAICA GOVERNOR WALKER. DISCUSSIONS WERE CORDIAL AND FRANK, WITH GOJ PROVIDING HONEST APPRAISALS OF CURRENT ECONOMIC DIFFICULTIES AND NECESSITY FOR FOREIGN INVESTMENT FLOWS. USG ASSISTANCE MOST OFTEN REQUESTED INCLUDED RESUMPTION OF OPIC'S POLITICAL RISK INSURANCE; REINSTITUTION OF EXIM AND PARTICULARLY FCIA PROGRAMS; AGREEMENT ON MORE GENEROUS TEXTILE QUOTAS;

AND TRADE LIBERALIZATION FOR JAMAICAN RUM AND FOOTWEAR IMPORTS INTO U.S. TEAM ALSO PAID FORTY-MINUTE COURTESY CALL ON PRIME MINISTER MANLEY, WHO REITERATED GOJ POLICY OF WELCOMING FOREIGN INVESTMENT BUT CONCEDED THAT PRESS COVERAGE OF MANLEY'S THIRD WORLD AND SOCIALIST RHETORIC MIGHT BE COUNTER-PRODUCTIVE IN ATTRACTING NEW FLOWS.

3. TEAM ALSO HELD SEPARATE, PRIVATE DISCUSSIONS WITH JAMAICAN AND AMERICAN PRIVATE SECTOR REPRESENTATIVES. TENOR OF DISCUSSIONS WAS GENERALLY MORE CRITICAL OF GOJ POLICIES. SEVERAL BUSINESSMEN (PARTICULARLY FROM U.S. SIDE) VOICED MISTRUST OF THE GOVERNMENT, AND QUESTIONED WHETHER INVESTORS COULD TAKE ASSURANCE IN OFFICIAL STATEMENTS RE SAFETY OF FOREIGN CAPITAL AND GUARANTEES OF PROFIT REMITTANCES. OTHERS, HOWEVER, WERE MORE POSITIVE LIMITED OFFICIAL USE

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AND OPTIMISTIC ABOUT FUTURE, NOTING THAT BEST PROSPECTS WERE AVAILABLE TO EXPERIENCED AND SOPHISTICATED INVESTORS

WHO WERE WILLING TO COMMIT THEMSELVES TO QUOTE LONG HAUL UNQUOTE (I.E. TEN-FIFTEEN YEARS).

4. TEAM EXPECTS TO PREPARE FINAL REPORT BASED ON AMONG

OTHERS THEIR DISCUSSIONS IN JAMAICA, AERIAL SURVEY OF ISLAND, AND LIMITED VISITS TO ENTERPRISES IN THE FIELD. IN MEANTIME, TEAM HAS CONCLUDED PRELIMINARILY THAT JAMAICA CURRENTLY OFFERS RESTRICTED OPPORTUNITIES FOR FOREIGN INVESTORS, ESPECIALLY IN VIEW OF FOREIGN EXCHANGE SHORTAGES, UNCERTAIN POLITICAL CLIMATE, AND LINGERING SECURITY PROBLEM PREDOMINANTLY IN LARGER CITIES LIKE

KINGSTON. HOWEVER, REALIZABLE OPPORTUNITIES PROBABLY EXIST FOR DETERMINED AND SOPHISTICATED INVESTORS IN CERTAIN FIELDS SUCH AS AGRIBUSINESS. NEXT STEP WILL BE TO FOLLOW THROUGH WITH POSSIBLE PRIVATE SECTOR VISIT TO JAMAICA LATER THIS YEAR OF U.S. BUSINESSMEN. VANCE

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